

NCA
VOC FOR PGM/FN
BACKGROUNDER NO. 5-6250
BARRY WOOD/JOHANNESBURG

NOVEMBER 9, 1978

SOUTH AFRICAN SCANDAL

ANNCR:

THE RESIGNATION OF CONNIE MULDER FROM THE SOUTH AFRICAN CABINET EARLIER THIS WEEK RESULTED FROM DISCLOSURES OF CORRUPTION IN THE NOW-DEFUNCT GOVERNMENT INFORMATION DEPARTMENT WHICH HE HEADED. MISTER MULDER IS ONE OF FOUR PROVINCIAL LEADER OF THE NATIONAL PARTY WHICH HSS GOVERNED SOUTH AFRICA FOR THIRTY YEARS. BARRY WOOD IN JOHANNESBURG HAS THIS BACKGROUND REPORT.

VOICE:

THIS PAST WEEK'S RATHER SENSATIONAL DISCLOSURES OF CORRUPTION IN THE FORMER DEPARTMENT OF INFORMATION HAVE SHOCKED WHITE SOUTH AFRICANS. THE SENTIMENT MOST OFTEN HEARD IS ONE OF OUTRAGE THAT TAX MONEY WAS USED TO SET UP A DAILY NEWSPAPER. INDEED, THE REVELATION THAT THE PRO-GOVERNMENT "CITIZEN" WAS FINANCED BY THE DEPARTMENT OF INFORMATION HAS LED TO NUMEROUS JOKES -- ONE OF THE MOST COMMON BEING THE STATEMENT, WHEN PURCHASING THE PAPER: "OH NO, I DON'T HAVE TO PAY TEN CENTS FOR THIS, I, AS A MEMBER OF THE PUBLIC, HAVE ALREADY PAID FOR IT."

BUT THE IMPLICATIONS OF THIS STILL UNFOLDING SCANDAL ARE FAR MORE SERIOUS THAN THE MATTER OF THE CITIZEN NEWSPAPER. ALREADY, ONE OF THE MOST POWERFUL MEN IN THE AFRIKAANER POLITICAL ESTABLISHMENT HAS BEEN FORCED TO RESIGN. DOCTOR CONNIE MULDER, WHO CAME WITHIN A FEW VOTES OF BECOMING PRIME MINISTER IN LATE SEPTEMBER, MAINTAINS HIS STRONG POWER BASE HERE IN THE TRANSVAAL PROVINCE WHERE HE REMAINS PARTY LEADER. BEYOND THAT, DOCTOR MULDER'S SUPPORTERS AHVE

FREQUENTLY SAID OVER THE PAST WEEK THAT IF THEIR MAN HAD TO GO OTHERS MAY HAVE TO GO AS WELL. THE PRO-MULDER CAMP HAS IMPLIED THAT DOCTOR MULDER HAS INFORMATION WHICH CAN SEVERELY DAMAGE OTHER GOVERNMENT LEADERS. THAT TIES IN TO THE TRADITIONAL RIVALRY BETWEEN NATIONAL PARTY LEADERS FROM THE TRANSVAAL AND THOSE FROM THE CAPE PROVINCE TO THE SOUTH. THE NEW PRIME MINISTER, PIETER BOTHA, IS THE FIRST CAPE LEADER OF THE PARTY TO BECOME PREMIER SINCE D.C. MALAN IN NINETEEN FORTY-EIGHT. THUS, FOR WELL OVER TWENTY YEARS, SOUTH AFRICAN PRIME MINISTERS HAVE COME EXCLUSIVELY FROM THE TRANSVAAL -- THAT IS, UNTIL SIX WEEKS AGO.

WHAT AFRIKAANERS FEAR MOST IN THE WAKE OF THIS SCANDAL IS A SPLIT IN THE PARTY. ALREADY, THERE ARE GRUMBLINGS IN THE TRANSVAAL AND CRITICISM BY SOME AFRIKAAN SPEAKING ACADEMICS OF MISTER BOTHA'S HANDLING OF THE INFORMATION DEPARTMENT AFFAIR THUS FAR. THEN, THERE ARE STILL UNANSWERED QUESTIONS CONCERNING THE AFFAIR, QUESTIONS THAT ARE NOW BEING RAISED BY MANY SOUTH AFRICANS, BOTH THOSE WHO FAVOR AND OPPOSE THE PRETORIA GOVERNMENT. ONE QUESTION -- WHICH HAS BEEN REPEATEDLY POSED BY A PRO-GOVERNMENT AFRIKAAN PAPER -- IS: WHO OWNS THE CITIZEN AND WHO'S FINANCING ITS ESTIMATED DAILY LOSSES OF MORE THAN SIXTEEN THOUSAND DOLLARS? ALSO BEING ASKED IS THE QUESTION: "WHO MURDERED THE PROMINENT SOUTH AFRICAN FINANCIER, DOCTOR ROBERT SMITH AND HIS WIFE AT THEIR HOME OUTSIDE JOHANNESBURG JUST OVER A YEAR AGO? DOCTOR SMITH, A HIGHLY COMPETENT ECONOMIST, WAS STANDING AS A NATIONAL PARTY CANDIDATE FOR PARLIAMENT AT THE TIME OF HIS DEATH. MANY PEOPLE HAD PREDICTED THAT DOCTOR SMITH WAS DESTINED TO BECOME SOUTH AFRICA'S FINANCE MINISTER. COULD IT BE, IT'S BEING ASKED, THAT DOCTOR SMITH, IN HIS

WORK AT THE TREASURY DEPARTMENT, HAD UNCOVERED EVIDENCE OF THE INFORMATION SCANDAL? HIS MURDER REMAINS A MYSTERY. NO MOTIVE HAS BEEN FOUND, AND NO CLUES AS TO THE MURDERER UNCOVERED.

WJL/PY